

“IMPLEMENTING QUALITY STANDARDS AND PROCEDURES IN
SHIP RECYCLING”

1ST GLOBAL SHIP SCRAPPING SUMMIT

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GOOD AFTERNOON ---MR CHAIRMAN, PANELISTS, LADIES &
GENTLEMEN. IT IS INDEED A DISTINCT PLEASURE AND
HONOR TO SPEAK HERE AT THE FIRST GLOBAL SUMMIT
ON SHIP RECYCLING.

THE SHIP RECYCLING INDUSTRY HAS BECOME A TOPIC OF
GREAT INTEREST IN THE UNITED STATES – AND IN
EUROPE – IN THE LAST COUPLE OF YEARS, AND I AM
PLEASED THAT THE NETHERLANDS MINISTRY OF
TRANSPORT HAS TAKEN THE INITIATIVE TO BRING THE
INTERNATIONAL COMMUNITY TOGETHER ON THIS ISSUE.
THEY ARE TO BE CONGRATULATED.

MY REMARKS TODAY WILL FOCUS ON THE UNITED STATES
COAST GUARD’S INTEREST IN SHIP RECYCLING, BOTH AS
A PROTECTOR OF THE MARINE ENVIRONMENT, AND AS AN
ORGANIZATION WHICH ALSO MUST FIND WAYS TO
RECYCLE OUR OWN VESSELS.

I WILL BEGIN BY DESCRIBING BRIEFLY HOW WE, THE COAST GUARD, REPLACE OUR OWN SHIPS – MANY OF WHICH WERE BUILT WHEN SUCH HAZARDOUS MATERIALS AS ASBESTOS AND PCB’S WERE IN COMMON USE. SINCE WE ARE A VERY SMALL SEA SERVICE, WE ARE ABLE TO HANDLE OUR RECYCLING NEEDS WITHOUT SENDING OUR VESSELS TO OVERSEAS RECYCLING YARDS.

MANY OF OUR DECOMMISSIONED VESSELS ARE STILL IN USEFUL CONDITION, BUT ARE NO LONGER SUITED TO OUR MISSION NEEDS. RATHER THAN RECYCLE VESSELS WHICH WE NO LONGER NEED, THE COAST GUARD FIRST OFFERS THE SHIPS TO OTHER FEDERAL AGENCIES FOR CONTINUED USE.

IF NO OTHER FEDERAL AGENCY CAN USE THE VESSEL, CONGRESS MAY AUTHORIZE THE STATE DEPARTMENT AND THE DEPARTMENT OF DEFENSE TO TRANSFER OWNERSHIP TO COUNTRIES WITH A NEED FOR COASTAL DEFENSE OR SECURITY – BUT WHO ARE UNABLE TO FINANCE FLEETS OF THEIR OWN. A CONTAMINATION SURVEY OF ALL HAZARDOUS MATERIALS IS CONDUCTED ON ALL VESSELS DECOMMISSIONED FROM COAST GUARD SERVICE BEFORE THEY ARE TRANSFERRED EITHER DOMESTICALLY OR INTERNATIONALLY.

IF A SHIP CANNOT BE TRANSFERRED FOR CONTINUED SERVICE, IT WILL BE CLEANED OF ALL HAZARDOUS MATERIALS IN OUR OWN SHIPYARD WITH PERSONNEL TRAINED IN SAFE REMOVAL PROCEDURES. THE CLEANED SHIP WILL THEN BE USED TO BUILD AN ARTIFICIAL REEF OR SOLD FOR RECYCLING. NUMEROUS ARTIFICIAL REEFS AROUND THE U.S. ARE EX-COAST GUARD VESSELS. THIS HAS WORKED WELL, BUT OUR LARGEST SHIPS ARE FRIGATE SIZE. I'M NOT SURE OF ITS VIABILITY FOR LARGER VESSELS.

AS THE ASSISTANT COMMANDANT FOR MARINE SAFETY AND ENVIRONMENTAL PROTECTION, ONE OF MY TOP PRIORITIES IS TO CONTINUE TO ENSURE AND IMPROVE MARITIME SAFETY AND PROTECTION OF THE ENVIRONMENT WORLDWIDE AS WELL AS IN U.S. WATERS. THIS IS MY PRIMARY CONCERN WITH RESPECT TO SHIP RECYCLING.

THE UNITED STATES COAST GUARD HAS A DUAL AUTHORITY AS AN ENFORCEMENT AND ENVIRONMENTAL RESPONSE AGENCY.

ENFORCEMENT OF UNITED STATES MARINE ENVIRONMENTAL PROTECTION LAWS -- WHICH INCLUDE THE FEDERAL WATER POLLUTION CONTROL ACT (FWPCA); THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT (CERCLA); AND THE OIL POLLUTION ACT OF 1990 AMONG OTHERS -- IS CARRIED OUT AS A STANDARD INVENTORY OF RESPONSIBILITIES BY OUR LOCAL CAPTAINS OF THE PORT FOR THEIR AREAS OF OPERATION, REGARDLESS OF A SPECIFIC SHIP BREAKING ACTIVITY.

THE MAJORITY OF OUR INVOLVEMENT IN SHIP RECYCLING STEMS FROM THE FEDERAL WATER POLLUTION CONTROL ACT OF 1972.

ONE OF THE MAIN PROVISIONS OF THIS ACT WAS THE CREATION OF THE NATIONAL RESPONSE PLAN WHICH TASKED THE COAST GUARD AS THE U.S. GOVERNMENT'S ON-SCENE COORDINATOR FOR OIL AND HAZARDOUS MATERIAL SPILLS IN U.S COASTAL WATERS. THIS FUNCTION IS CARRIED OUT FOR ALL POTENTIAL SPILLS INCLUDING THOSE FROM SPECIFIC SHIP BREAKING ACTIVITIES.

WE ARE ALSO TASKED WITH PREVENTION OF OIL AND HAZARDOUS MATERIALS POLLUTION OF THE U.S. COASTAL ZONE.

RECYCLING CONVENTIONALLY-POWERED SHIPS IS A HEAVY INDUSTRIAL ACTIVITY, AND AS SUCH, IT IS A DIRTY, DIFFICULT AND HAZARDOUS JOB. MANY OF THE VESSELS CURRENTLY DESIGNATED FOR SCRAPPING WERE BUILT IN THE 1940'S, 50'S, AND 60'S AND EMPLOYED THEN STATE-OF-THE-ART MATERIALS IN THEIR CONSTRUCTION.

WHILE THOSE MATERIALS WERE IN COMMON USE AT THAT TIME TO PROTECT HUMAN LIFE AND EXTEND THE SERVICE LIFE OF THE VESSEL, MANY HAVE SINCE BEEN CLASSIFIED AS HAZARDOUS. THEY INCLUDE ASBESTOS, POLYCHLORINATED BIPHENYLS (PCB'S), LEAD, CHROMATES, AND MERCURY.

COMPLICATING THE PROBLEM IS THAT, THROUGH REPAIR AND RETROFITTING, HAZARDOUS MATERIALS IN SOME AREAS HAVE BEEN REMOVED WHILE ADDITIONAL HAZARDOUS MATERIALS PREVIOUSLY CONSIDERED BENEFICIAL MAY HAVE BEEN INCORPORATED INTO A VESSEL.

ALSO, WE ARE MOVING TOWARD MORE USE OF COMPOSITES FOR SHIPBUILDING THAT MS RUTHERFORD HAS CORRECTLY IDENTIFIED AS GENERALLY NON-RECYCLABLE. THIS CALLS EVEN MORE STRONGLY FOR THE LIFE-CYCLE APPROACH TO SHIP-BUILDING ALREADY MENTIONED, AND THE NEED FOR COOPERATIVE INTERNATIONAL ACTION.

BECAUSE THESE ACTIVITIES TAKE PLACE AT DIFFERENT TIMES, AT DIFFERENT FACILITIES AROUND THE WORLD AND ARE OF VARYING MAGNITUDES, EVEN VESSELS OF THE SAME TYPE MAY HAVE VASTLY DIFFERENT AMOUNTS OF HAZARDOUS MATERIALS IN DIFFERENT LOCATIONS. CONSEQUENTLY, COMPLETE AND ACCURATE RECORDS CATALOGUING THE LOCATION AND EXTENT OF HAZARDOUS MATERIALS RARELY EXIST.

THE LIMITED KNOWLEDGE ON THE TYPE AND QUANTITY OF HAZARDOUS MATERIALS MAKES ABATEMENT DIFFICULT AND INCREASES RISK. IN SOME CASES, THE ACTUAL LOCATION AND EXTENT OF HAZARDOUS MATERIAL CANNOT BE IDENTIFIED UNTIL THE SHIP IS BEING SCRAPPED.

FOR BOTH DOMESTIC AND INTERNATIONAL SHIP RECYCLING OPERATIONS, THE SKILLS REQUIRED TO DISMANTLE A SHIP ARE A UNIQUE BLEND OF TECHNICAL KNOWLEDGE AND PHYSICAL LABOR. TECHNICAL KNOWLEDGE IS NEEDED TO PROPERLY ELIMINATE HAZARDOUS MATERIALS AND SAFELY REMOVE HEAVY SECTIONS OF STEEL HULLS. BUT, SHIP RECYCLING IS STILL MOSTLY A LABOR-INTENSIVE PROCESS WITH MUCH OF THE WORK BEING DONE USING HAND HELD CUTTING TOOLS.

DUE TO THE MANY WORKER SAFETY ISSUES ASSOCIATED WITH THIS OCCUPATION, THE U. S. GOVERNMENT'S OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION HAS MAIN JURISDICTION OVER SHIP BREAKING ACTIVITIES, WHILE THE ENVIRONMENTAL PROTECTION AGENCY REGULATES ANY POLLUTION ASHORE. THE COAST GUARD'S CONCERN COMES FROM THE PROXIMITY OF THESE FACILITIES TO THE WATER, AND THE POTENTIAL FOR OIL AND HAZARDOUS MATERIALS TO BE MISHANDLED AND POSSIBLY ENTER THE WATER.

FORTUNATELY, WATER POLLUTION INCIDENTS AT U.S. SHIP RECYCLING YARDS HAVE BEEN RELATIVELY LOW. HOWEVER, THIS MUST NOT CAUSE US TO BECOME COMPLACENT. AS THE U.S. GOVERNMENT'S CHIEF PROTECTOR OF THE MARINE ENVIRONMENT, WE HAVE ALWAYS MAINTAINED THAT PREVENTION IS THE BEST RESPONSE.

WITH SHIP RECYCLING ON THE RISE -- WE MUST BE PREPARED FOR THE FUTURE.

SHIP RECYCLING IN THE UNITED STATES, LIKE MOST COUNTRIES, HAS A DIFFICULT TIME COMPETING WITH THE WORLD SHIP RECYCLING MARKET IN COUNTRIES SUCH AS INDIA, PAKISTAN, AND BANGLADESH. THIS HAS KEPT SHIP RECYCLING ACTIVITY IN THE U.S. AT LOW LEVELS – AND CONSEQUENTLY POLLUTION RISK HAS REMAINED AT LOW LEVELS AS WELL.

TWO THINGS MAY CHANGE THAT:

THE FIRST, IRONICALLY, IS THE OIL POLLUTION ACT OF 1990, WHICH HAS WORKED SO WELL TO REDUCE THE AMOUNT OF OIL SPILLED INTO U.S. WATERS. OPA 90 MANDATES THAT BY THE YEAR 2015, NO SINGLE-HULLED TANKER MAY OPERATE IN U.S. WATERS. AS A RESULT, MANY SHIPPING COMPANIES WILL BE REPLACING THEIR TANKER FLEET IN THE VERY NEAR FUTURE.

THE SECOND POTENTIAL INCREASE IN U.S. SHIP RECYCLING ACTIVITY COMES FROM RECENT CONGRESSIONAL INTEREST IN HOW THE U.S. NAVY AND THE MARITIME ADMINISTRATION ARE DISPOSING OF THEIR EXCESS VESSELS. YOU HEARD MR. CLYDE HART SPEAK ON THAT ISSUE EARLIER TODAY.

WITH THE POTENTIAL INCREASE IN OUR DOMESTIC SHIP RECYCLING ACTIVITY, COMES THE POTENTIAL FOR MORE POLLUTION. WE MUST REMAIN VIGILANT AND DEVELOP QUALITY STANDARDS TO PREVENT ANY POLLUTION FROM THESE FACILITIES BEFORE IT HAPPENS.

HISTORICALLY, BUT PERHAPS EVEN MORE SO IN THIS ERA OF GLOBAL MARKETS, THE MARINE SAFETY DIRECTORATE OF THE COAST GUARD FINDS ITSELF IN THE POSITION OF BOTH A REGULATOR AND A FACILITATOR OF MARINE TRANSPORTATION. WITH RESPECT TO ENVIRONMENTAL STANDARDS DEVELOPMENT AND ENFORCEMENT THE COAST GUARD ACTS AS A REGULATOR TO “PROTECT THE PUBLIC AND THE ENVIRONMENT.”

IN OUR ROLE AS A FACILITATOR, WE ARE CHARGED WITH ENSURING THE STANDARDS THAT WE DEVELOP AND ENFORCE DO NOT PLACE U. S. MARKET INTERESTS AT A DISADVANTAGE IN TODAY’S WORLD ECONOMY.

THIS, OF COURSE, IS NOT SOLELY A UNITED STATES PROBLEM, BUT ONE WHICH ALL OF YOU ARE STRUGGLING WITH. IT IS IN FACT ONE OF THE MAJOR ISSUES THIS SUMMIT IS ADDRESSING. HOW CAN WE ENFORCE ENVIRONMENTAL STANDARDS WITHOUT CRIPPLING AN INDUSTRY VITAL TO THE ECONOMIES OF MANY COUNTRIES?

THE ANSWER WILL MOST LIKELY COME FROM INTERNATIONAL COOPERATION IN FORUMS SUCH AS THIS, WHERE DIFFERENT VIEWS CAN BE EXPRESSED AND COUNTRIES CAN PRESENT IDEAS FOR POSITIVE SOLUTIONS. INTERNATIONALLY HARMONIZED STANDARDS AND REGULATIONS HAVE THE ADVANTAGE OF IMPROVING COMPLIANCE AND SAFETY, WHILE AT THE SAME TIME FACILITATE TRADE. IN THAT REGARD I'M STRUCK BY THE SIMILARITY OF THE BROAD ISSUES DISCUSSED TODAY TO THOSE OF QUALITY SHIPPING SHARED OVER THE LAST 2 DAYS.

BY DEVELOPING UNIFORM INTERNATIONAL GUIDELINES ON SHIP RECYCLING, THROUGH ORGANIZATIONS SUCH AS IMO, WE HAVE AN OPPORTUNITY TO WORK TOGETHER TO DEVELOP IDEAS WHICH WILL FURTHER IMPROVE QUALITY OF SHIP SCRAPPING WORLDWIDE.

AS WITH THIS CONFERENCE, ALL SIDES OF THE ISSUE NEED TO BE PRESENTED. ECONOMIC ISSUES AS WELL AS PROTECTING OUR MARINE ENVIRONMENT. WE CANNOT EXPECT THE SHIP RECYCLING INDUSTRY TO SAFELY REMEDIATE SHIPS AT A COST THAT EXCEEDS THE MATERIAL VALUE. AND LIKEWISE WE CAN'T SACRIFICE THE MARINE ENVIRONMENT TO MAXIMIZE PROFITS.

SOLUTIONS CAN ONLY COME THROUGH COOPERATIVE EFFORTS BETWEEN OUR GOVERNMENTS, THE INDUSTRY, AND OTHER STAKEHOLDERS. THERE IS CLEARLY A DELICATE BALANCE TO BE STRUCK BETWEEN ECONOMICS, ENVIRONMENTAL PROTECTION AND SAFETY – THAT IS NOT EASILY DONE WITH SUCH A COMPLEX INTERACTION OF INTERESTS. WE MUST BE CAREFUL TO CREATE INCENTIVES NOT DISINCENTIVES IN THE PROCESS.

STAKEHOLDER PARTNERSHIPS HAVE ALLOWED US TO RESOLVE CONTENTIOUS ISSUES – MANY THROUGH NON-REGULATORY MEANS. WE IN THIS ROOM HAVE THE ABILITY TO DEAL WITH THIS IN A BALANCED WAY. IF WE DO NOT ACT OTHERS MAY.

THIS ISSUE WILL BE BROUGHT UP AT THE IMO MEPC NEXT WEEK; AND, IT IS APPROPRIATE TO OPEN DISCUSSIONS THERE. THE U.S. SUPPORTS FURTHER IMO DISCUSSIONS ON THE DEVELOPMENT OF UNIFORM INTERNATIONAL GUIDELINES FOR SHIP RECYCLING AND SUPPORTS THE ADDITION OF THE SHIP RECYCLING ISSUES TO THE AGENDA FOR MEPC 44.

NORWAY IS TO BE CONGRATULATED FOR BRINGING THIS ISSUE TO IMO THROUGH ITS MEPC 43 PAPER JUST AS THE NETHERLANDS IS TO BE CONGRATULATED FOR SPONSORING THIS CONFERENCE ON THIS MOST IMPORTANT ISSUE. THE MEPC PAPERS BY GREENPEACE/ ICFTU AND ICS ALSO PROVIDE FOR NEEDED DIALOG ABOUT SHIP RECYCLING.

TO CONCLUDE, LET ME JUST REITERATE THAT THE U.S. COAST GUARD SHARES YOUR CONCERNS AND RECOGNIZES THE NEED TO INVESTIGATE AND WORK TOGETHER TO PREVENT FURTHER HARM TO THE ENVIRONMENT. WE LOOK FORWARD TO WORKING WITH YOU AS A VERY INTERESTED PARTNER IN DEALING WITH THIS VERY DIFFICULT ISSUE. I FIRMLY BELIEVE THERE IS AN OPPORTUNITY FOR WORK GROUPS RESULTING FROM THIS MEETING TO PROVIDE MEANINGFUL INPUT TO IMO DELIBERATIONS.

THANK YOU FOR YOUR INVITATION AND ATTENTION.